



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

JOHN R. BAZA
Division Director

February 22, 2008

David L. Penney
Penney's Gemstones, LLC
2400 East 30 South
P.O. Box 312
Beaver, Utah 84713-0312

Subject: Denial of Request for Site/Bond Release, Penney's Gemstones, LLC., Fantasy Land Jasper S/027/0096, Millard County, Utah

Dear Mr. Penney:

On January 7, 2008, we received your request for site release of the referenced mine in Millard County, Utah. The Division's inspection of November 19, 2007 determined that this site had not been reclaimed. Subsequent to your request for site release, the BLM was contacted. In a letter dated January 11, 2008, they indicated that the BLM considered the disturbance at the Fantasy Land Jasper to have been done under your notice, and that you were responsible to complete the reclamation. Therefore, the Division is denying your request to release this site. Since permit fees have not been paid for the current year, you must remit the annual permit fee for this site within 30 days (March 14, 2008). A copy of the billing statement is attached.

Please provide the additional surety to bring the current surety amount of \$2,600 to \$5,900 to cover the current disturbance of less than one acre and correct the permit to reflect the acreage mined.

Any mining activity on the site prior to the Division receiving the annual permit fee may result in enforcement action being taken.

If you need further clarification or have questions regarding this letter, please contact me at (801) 538-5258. In response, please refer to file S/027/0096.

Sincerely,

Susan M. White
Mining Program Coordinator
Minerals Regulatory Program

SMW:TM:pb
Task # 2182

Enclosure: Billing Statement

cc: jerry_mansfield@blm.gov
ep7@xmission.com w/bill

P:\GROUPS\MINERALS\WP\M027-Millard\S0270096-FantasyLand\final\deny-bsr-02132008.doc

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801

telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov



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1594 West North Temple, Suite 1210
PO Box 145801
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801-359-3940 (Fax)
801-538-7223 (TDD)

PENNEY'S GEMSTONES, LLC
2400 E 30 S
BOX 312
BEAVER UT 84713-0312

ATTENTION: DAVID PENNEY

ANNUAL PERMIT FEE

Annual Permit Fees for July 2007 thru June 2008

SITE NAME	PERMIT ID	ACRES	BILLING DATE
FANTASY LAND JASPER	S270096	NA	06/20/2007
PERMIT TYPE	PERMIT STATUS		
SMALL MINING OPERATION < 5 ACRES	ACTIVE		
			ANNUAL FEE
			\$ 150

DUE DATE	AMOUNT DUE
03/14/2008	\$ 150

Please retain this portion for your records. For billing information call (801) 538-5291

This portion MUST be returned with your payment to ensure proper credit. THANK YOU

ACCOUNT BILLED	PROJECT NAME	PERMIT ID
PENNEY'S GEMSTONES, LLC	FANTASY LAND JASPER	S270096

DUE DATE	ANNUAL FEE	AMOUNT DUE
03/14/2008	\$ 150	\$ 150

<input type="checkbox"/> FEE ENCLOSED	<input type="checkbox"/> FEE NOT ENCLOSED*
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*Failure to pay fees required by the R647 Mineral Rules will result in Withdrawal of the approved Notice of Intention. No mining/exploration activities can occur on the site after the Fee Due Date until the annual permit fees are paid.

If reclamation is complete, the fee may not be required, but a request to inspect and close out the site must be submitted to the Division on form MR-SITE.

Forms and other permit-related information are available on the Web at <http://ogm.utah.gov/minerals> or you can call (801) 538-5291 for more information.

DIVISION OF OIL GAS AND MINING
1594 WEST NORTH TEMPLE SUITE 1210
PO BOX 145801
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Please make check payable to:
Division of Oil, Gas and Mining